

Title of Meeting:	Governing Body	Agenda Item: 9.1									
Date of Meeting:	24 March 2022	<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td>Public</td> <td>X</td> </tr> <tr> <td>Private</td> <td></td> </tr> <tr> <td>Workshop</td> <td></td> </tr> </table>		Session (Tick)		Public	X	Private		Workshop	
Session (Tick)											
Public	X										
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Workshop											
Paper Title:	Audit Committee Key Messages										
Responsible Governing Body Member Lead Ken Readshaw, Lay Member for Audit & Governance and Audit Committee Chair		Report Author and Job Title Ken Readshaw, Lay Member for Audit & Governance and Chair of the Audit Committee									
Purpose (this paper if for)	<table border="1"> <tr> <th>Decision</th> <th>Discussion</th> <th>Assurance</th> <th>Information</th> </tr> <tr> <td></td> <td></td> <td>X</td> <td></td> </tr> </table>			Decision	Discussion	Assurance	Information			X	
Decision	Discussion	Assurance	Information								
		X									
Has the report (or variation of it) been presented to another Committee / Meeting? If yes, state the Committee / Meeting: No.											
Executive Summary <p>The Audit Committee provides the Governing Body with an independent and objective view of the CCG's financial systems, financial information and compliance with laws, regulations and directions governing the CCG in so far as they relate to finance, risk management systems and emergency planning arrangements.</p> <p>Key Messages from the meeting held on 15 February 2022 are attached at Appendix A. Confirmed Minutes of the meeting held on 22 November 2021 are attached at Appendix B.</p>											
Recommendations The Governing Body is asked to receive the report as assurance.											
Monitoring An assurance report on key topics discussed at the Audit Committee will be brought to each Governing Body meeting.											
Any statutory / regulatory / legal / NHS Constitution implications	The Audit Committee is accountable to the Governing Body and is required to provide key messages and confirmed minutes from all of its meetings.										
Management of Conflicts of Interest	No conflicts of interest have been identified prior to the meeting.										
Communication / Public & Patient Engagement	Key Messages are published with the Governing Body Papers and any additional update is noted in the minutes, which are also published on the CCG's website.										
Financial / resource implications	None identified.										
Significant Risks to Consider	No significant risks to consider.										
Outcome of Impact Assessments completed	Not applicable.										

Ken Readshaw, Lay Member for Audit and Governance and Audit Committee Chair

Audit Committee

Key Messages to North Yorkshire CCG Governing Body From Audit Committee 15 February 2022

The Committee met on Tuesday 15 February 2022, using Teams Meeting facility over the internet. The committee was quorate, and there were no new declarations of interest with regards to the agenda.

Minutes of the meeting held on 23 November 2021 were reviewed by the Committee: for accuracy and were approved as a true and accurate record.

The Chief Finance Officer presented a summary of the Financial Issues Update. Purpose of the report was to inform the Committee on several financial issues/updates.

The Chief Finance Officer presented an update on progress from the Northern Region Finance Transition Group. A discussion took place around the 'readiness to operate statement' (ROS) this is in support of the NHS requirement for ICB CEOs. A copy of the ROS will be brought to the Audit Committee in June for formal sign off.

A copy of the NYCCG Primary Care Rebate Scheme Firmagon approved virtually by the Finance, Performance, Contracting & Commissioning Committee on 23 December 2021 was noted for information.

The Committee were presented with a summary of the Year-end Accounts – Timetable (& M9 AoB). The update was presented to make the Committee aware of the year-end accounts timetable and gave assurance that the CCG is undertaking the necessary preliminary planning to ensure deadlines are met and a smooth audit ensues.

A summary of the Financial arrangements for the new target date for establishing Integrated Care Boards on 1 July 2022 was presented in draft not final policy.

The Committee reviewed and discussed the findings of the Internal and External Audit Review of Effectiveness 2021/22 Survey and felt assured that Internal and External Audit is operating effectively.

The Director of Corporate Services, Governance and Performance provided a verbal update. All the risks have been reviewed and a paper will be going to Executive Directors next week for discussion. Once agreed a further paper will then be taken to Governing Body for approval on 24 March 2022. It was also reported that several deep dives have also been undertaken with an opinion of high assurance received. It was acknowledged that the Accountable Officer did attend some of those deep dives due to their importance.

The Committee were presented with an update around Governance: Transition and Due Diligence. The Director of Corporate Services, Governance and Performance took the Committee through the report for assurance on the due diligence processes linked to the organisational transition to the Humber, Coast and Vale Integrated Care Board. The report gave assurance that the process is being managed with appropriate controls and processes to ensure a smooth transition which is safe and free from challenge.

The Committee received and noted an update on legal issues. The report provided the Committee with details of the work completed by the Legal Team in respect of Community Deprivation of Liberty Safeguards (DoLS) and Contentious Court of Protection applications and sets out the risks to the CCG regarding non-compliance with the legal framework

The Committee were provided with the update on the Quarterly HR Report (incorporating Stat & Man Training Figures) CCG workforce information, statutory and mandatory training compliance and an overview of the current HR processes relating to the transition to Humber, Coast and Vale ICS.

The minutes of discussions at the Information Governance Steering Group (IGSG) meeting held on 28 October 2020 were provided to the Committee for assurance. A discussion took place around National Data Breaches and the need for ongoing care and vigilance was highlighted.

The Internal Audit Manager took the Committee through the report for assurance summarising activity undertaken in relation to the 2021/22 Internal Audit Operational Plan up to 15 February 2022. Four audit reports from the 2020/21 Plan have been issued since the last Audit Committee meeting:

- Personal Healthcare Budgets and Hospital Discharge were given an opinion of 'significant' assurance, reflecting the hard work and progress achieved in these areas.
- Risk Management and Governance Arrangements and Patient Experience were given an opinion of 'high' assurance.

Internal Audit pointed out the exceptions will be the changes in the scoping of their work within IT as no audit of the CCG's Toolkit self-assessment will be required, and their work on the Integrated Care System, which will continue as the implementation date has moved to 1st July. The Committee formally supported this change.

Internal Audit took the Committee through the Recommendations Status report for assurance outlining the CCGs progress with the implementation of Internal Audit Recommendations. It was noted eight open recommendations and 13 recommendations have been completed since the last report.

A summary of the Benchmarking of Internal Audit Recommendations report was presented. The purpose of the report was to enable each organisation to compare its performance in respect of implementing recommendations against other organisations in the Yorkshire and Humber region.

External Audit presented a summary of the Progress and Technical Update Report which provided a brief update on the progress of the 2021-22 external audit including an update to the Audit Strategy Memorandum. It also provided information on several national publications which may be of interest to members.

Ken Readshaw

Lay Member for Audit and Governance and Audit Committee Chair

NORTH YORKSHIRE CLINICAL COMMISSIONING GROUP

Audit Committee

Tuesday 23 November 2021

09: 30 a.m.

Present	
Ken Readshaw	Lay Member for Audit (Chair)
Dr Ian Woods	Secondary Care Doctor (Vice Chair)
Dr Chris Ives	GP Governing Body Member
Sheenagh Powell	Lay Member for Finance

In Attendance	
Jane Hawkard	Chief Finance Officer (Member only)
Sue Peckitt	Chief Nurse
Alec Cowell	Deputy Director of Financial Services & Reporting
Sasha Sencier	Senior Governance Manager and Board Secretary to the Governing Body (for items 5.1 – 5.7)
Kim Betts	Internal Audit Manager, Audit Yorkshire (for items 7.1 & 7.2)
Campbell Dearden	Mazars (for items 8.1, 8.2, 8.3)
Catherine Gibson	(Secretariat)

Apologies	
Julie Warren	Director of Corporate Services, Governance & Performance
Rosie Dickinson	Counter Fraud
Helen Darwin	HR Manager
Mark Kirkham	Mazars

1.0 Apologies for Absence and Quorum

Apologies received: Julie Warren, Helen Darwin, Rosie Dickinson, and Mark Kirkham.

The Chair confirmed that the meeting is quorate, considering any apologies for absence.

Audit Committee:

Noted attendance and confirmed the meeting is quorate under the requirements set out within the Terms of Reference.

2.0 Declarations of Interest in Relation to the Business of the Meeting

The Chair reminded committee members of their obligation to declare any interest they may have on any issues arising at committee meetings which might conflict with the business of

NHS North Yorkshire CCG. It was noted there were no declarations of interest in relation to the business of the meeting.

Audit Committee:

Noted there were no declarations of interest in relation to the business of the meeting.

3.0 Minutes of the meeting held on 21 September 2021

Minutes of the meeting held on 21 September were reviewed by the Audit Committee: for accuracy and agreed as a true and accurate record.

Audit Committee:

Approved the minutes.

3.1 Matters arising from the Minutes

The action log was reviewed by the Audit Committee. All outstanding actions were now complete and could therefore be removed.

4.0 Finance

4.1. Financial Issues Update

The Chief Finance Officer gave verbal financial issues update and noted that a balanced plan for the second part of the year for NY CCG had been submitted and would be presented to the next Governing Body. Information on new allocations were also described.

A discussion took place around transfer of ledgers and financial risks. The Chair understood all the CCG's legacy and deficits will be combined into the ICS and asked if the surplus's and deficits would offset. The CFO thought that this was unlikely. From the discussion that followed, The Chief Finance Officer reported that an ICS transition group has been set up, and she receives assurance from her deputies that the right things are happening, it was felt it would be a good idea to have a report at this meeting around the associated risks.

Action:

- **The Chief Finance Officer to provide a paper to the February meeting around mitigations associated with the transfer of ledgers and financial risks.**

Audit Committee:

Noted the above update and felt assured on the actions being taken.

4.2 Single Tender Waiver

A Single Tender Waiver on Mazars HCV CCGs was noted as an intention to continue with Mazars into 22/23 through the ICB. At this point, Campbell Dearden informed the Chair he is conflicted with this item. The Chair commented although this was still in the early stages, he did not foresee any issue and felt it was not necessary to exclude Campbell Dearden from the discussion but thanked him for noting. From a point of covering the discussion, it was noted the contract will be entered into the ICB.

Audit Committee:

Noted the above and felt assured on the actions being taken.

4.3 Financial Issues update

The Deputy Director of Financial Services and Reporting presented a summary of the report, previously circulated and taken as read. Purpose of the report was to inform the Committee on several financial issues/updates this included.

- Updated Procurement Thresholds: From the 1st of January 2022 the updated OJEU (Official Journal of the European Union) threshold limits come into force.
- IFRS (International Financial Reporting Standards): Now confirmed that IFRS 16 will be adapted and interpreted by the Financial Reporting Manual (FRm) and subsequently incorporated into the NHS Group Accounting Manual (GAM) from 1st April 2022.

Two Debt Write Off cases were brought to the Committees attention around Personal Health Budgets and Continuing Health Care.

Also mentioned was a table showing the CCG's current position with regards to debt over 90 days old. Since writing the report, it was confirmed outstanding payment has been received for MacMillan Cancer Support. It was also noted the biggest outstanding debt remains to be the legacy debt with Liverpool CCG as such. A briefing note of key issues is being collated for the CFO which may result in arbitration/negotiation with the CCG. The Committee were assured that we are on top of any issues and dealing with outstanding invoices.

The Lay Member for Finance highlighted that Vale of York seemed to stand out as an aged creditor. The Deputy Director of Financial Services and Reporting explained this might be a glitch rather than a long-standing position or a timing issue in terms of payment runs. Further work is ongoing through the ICS transition group.

Audit Committee:

- Noted the updates to procurement thresholds from 1st of January 2022.
- Noted the impact of IFRS16 from 1st of April 2022.
- Noted the bad debt write offs and felt assured that the CCG has robust monitoring procedures in place with regards to PHBs.

5.0 **Corporate and Governance**

5.1 Workforce Risks

The Senior Governance Manager presented a verbal update.

The update provided assurance to the Committee that in North Yorkshire CCG all posts for recruitment go through a vacancy approval process. Recruitment to roles up to 31 March 2022 can be agreed within the CCG but any posts, including temporary roles/secondments etc that go beyond 31 March 2022 must be reviewed by the ICS recruitment panel. This process applies to all CCGs within Humber, Coast and Vale ICS.

All approved roles are advertised in a regular recruitment bulletin which is shared with all CCG staff across the ICS. The bulletin may also include other relevant vacancies from partner organisations. The bulletin includes copies of job descriptions and provides details of links to NHS Jobs or copies of documentation required for expressions of interests,

depending on the role being advertised. This process ensures that recruitment to posts is considered prior to advertising in a consistent way and staff from across all the CCGs have equal access and opportunity to apply for these roles.

Audit Committee:

Noted the update and felt assured on the actions being taken.

5.2 Bi-Yearly Effectiveness Review Action Plan

There was nothing of any significance to report.

Audit Committee:

Noted the above

5.3 Legal Updates Report

The Senior Governance Manager presented a summary of the report, previously circulated and taken as read.

Purpose of the report is to provide the Committee with an update on any legal issues. Any questions raised at the meeting would be taken back for clarity.

Internal Audit reminded the Committee that Liberty Protection Standards/Deprivation of Liberty is an audit this year, significant details around that will be presented at the next meeting.

Action:

- **Internal Audit to present a detailed summary of the Liberty Protection Standards/Deprivation of Liberty audit at the next meeting in February.**

Audit Committee:

Noted the above.

5.4 Quarterly HR Report (incorporating Stat & Man Training Figures)

The Senior Governance Manager provided a verbal update. A question was raised on how we feel overall around the level and quantity of risk at this stage, particularly around workforce pressures is that manageable and thoughts from an Executive point of view. From the Chief Nurse perspective, it was explained that Quality and Safety reports are brought through our Quality Committees for discussion and assurance.

A lot of the common themes raised are around workforce recognising this is a re-occurring theme for every provider and acknowledging its uniformity across the board. The Committee were assured that we are sighted on the current quality and performance issues; and that concerns, and appropriate quality and safety risks are being effectively managed.

Audit Committee:

Noted the above and felt assured there are adequate controls in place to monitor quality and performance issues.

5.5 Bi-Yearly Quality and Performance Report

The Senior Governance Manager took the Committee through the report for assurance that processes are in place for the effective monitoring of quality and performance issues. In

addition, a supplementary report shown as (Appendix A) that is received by both non statutory committees: the Finance, Performance, Contracting and Commissioning Committee (FPCCC); and the Quality and Clinical Governance Committee (QCGC) was shared for information.

Audit Committee:

Noted the above and felt assured there are adequate controls in place to monitor quality and performance issues.

5.6 NHSE Conflict of Interest Returns

The Committee felt assured that everything is on track, our annual review has been undertaken and no breaches have been identified. Overall, in a very good position.

Audit Committee:

Noted the above.

5.7 Internal and External Audit Service Review

An update will be coming out to Committee members for information.

Audit Committee:

Noted the above.

6.0 Information Governance

6.1 Information Governance Steering Group Minutes (IGSG)

No minutes were received as no meetings had taken place since the October minutes received at the last Audit meeting..

7.0 Internal Audit

7.1 Internal Audit Annual Plan Progress Report

The Internal Audit Manager took the Committee through the report for assurance summarising activity undertaken in relation to the 2021/22 Internal Audit Operational Plan up to 23 November 2021.

Two audit reports from the 2020/21 Plan have been issued since the last Audit Committee meeting. Significant assurance has been given.

Primary Medical Care Commissioning & Contracting Commissioning and Procurement of Services and Personal Health Budgets were given an opinion of significant assurance, reflecting the hard work and progress achieved in these areas.

The Committee formally approved changes to the 2021/22 plan to delay audit work around Patient Experience to Quarter 3.

It was noted Helen Kemp-Taylor will be retiring, her official date is 9 January 2022.

Internal Audit informed the Committee that they will only report actions deemed significant on all audit pieces of work from now on going forward in view of the transition to the ICS.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. There were no questions, concerns, or comments to raise.

Audit Committee:

Noted the above and felt assured on the actions being taken.

7.2 Follow up of Internal Audit Recommendations Status Report

Internal Audit took the Committee through the report for assurance outlining the CCGs progress with the implementation of Internal Audit Recommendations. Ten open recommendations none of which were due. Seven recommendations were noted and have been completed since the last report. A total of 35 recommendations have been completed in the last 12 month.

Audit Committee:

Noted the above and felt assured on the actions being taken.

8.0 External Audit

Mazars presented a summary of the report which covered:

8.1 Engagement Letter

Mazars presented a summary of the Engagement Letter which sets out the fee and services provided for the 2021-22 external audit.

8.2 Audit Strategy Memorandum

Presented a copy of the ASM which summarised their audit approach, significant audit risks and areas of key judgements and provided details of the audit team.

8.3 Audit Progress and Technical Update Report

Provided a brief update on the progress of the 2021-22 external audit. It also provided information on several national publications which may be of interest to Committee members.

Provided an update around the Value for Money: There has been no change in the scope of the work and no significant weaknesses were identified. In addition, a reflection on the Mazars public sector case study around Cyber Security was presented for information.

The Chief Finance Officer was pleased to see that Continuing Health Care (CHC) was not shown as a significant risk in terms of the 2021/22 audit work.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. There were no questions, concerns, or comments to raise.

Audit Committee:

Received and noted the above for information.

10.0 Audit Committee Forward Planner

The Committee received a copy of the Forward Planner for information.

Audit Committee:

Noted the above.

11.0 Any Other Business

There being no other business the Chair declared the meeting closed.

12.0 Date and Time of Next Meeting

The next meeting will be held on Tuesday 22 February at 09:30 a.m. Following the meeting it was agreed to move the February date forward a week to the 15th of February due to the meeting sitting in half term.

Audit Committee:

Noted the above.

Follow up actions

The actions required as detailed in these minutes are attached at Appendix A.

Appendix A

**North Yorkshire Clinical Commissioning Group
Actions from the Audit Committee**

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
23 November 2021	4.1 Financial Issues update	The Chief Finance Officer to provide a paper to the February meeting around mitigations associated with the transfer of ledgers and financial risks.	Jane Hawkard	
23 November 2021	5.3 Legal Issues update	Internal Audit to present a detailed summary of the Liberty Protection Standards/Deprivation of Liberty audit at the next meeting in February.	Internal Audit	

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)